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AUTHOR	Redfern, George B.
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ABSTRACT

The most formidable obstacle to designing and implementing a workable plan for differentiating the compensation of administrators and supervisors is an inadequate evaluation process. This speech discusses the need for evaluation, examines how widespread are differentiated pay plans for administrative and supervisory personnel, suggests some evaluation models, and discusses the strengths and weaknesses of each. (JF)

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SPEAKER: GEORGE B. REDFERN, Deputy Executive Secretary, American Association of School Administrators, Arlington, Va.

TOPIC: APPRAISING MANAGERIAL PERFORMANCE FOR SALARY PURPOSES

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Introduction

The most formidable obstacle to designing and implementing a workable plan for differentiating the compensation of administrators and supervisors is an inadequate evaluation process. More merit pay plans have failed because of this deficiency than any other single factor. Yet, the search for better evaluation procedures goes on. The clamor mounts for abandonment of traditional, lock-step salary schedules for administrators and supervisors. Pressures increase to make pay and productivity more complementary. The key to a workable plan for holding managerial personnel more precisely accountable for good performance and paying them accordingly lies in finding a better way to evaluate that performance.

The thrust of this presentation and the commentaries of my colleagues will be to probe the dimensions of this problem. But, we must do more than probe. Defining a dilemma is not enough. We must propose some solutions. While we may not agree in our solutions, we hope we may be able to stimulate your thinking and encourage you to react during the discussion period that will follow.

Why evaluate at all? With evaluation's poor track record, why evaluate at all? The reasons are varied. It's uncomfortable and embarrassing to admit that no formalized procedures are used to assess the effectiveness of the work of principals, directors, supervisors, assistant superintendents, and others doing administrative and supervisory work. So, to avoid the implication of executive dereliction, managerial personnel are evaluated one way or another.

Management by objectives (MBO), gradually gaining ground as a promising management system, obviously requires an evaluation component. MBO, thus, is a catalytic agent to induce better evaluation procedures.

Program, planning, budgeting systems (PPBS) likewise make evaluation a necessary step in the successful operation of that system of management. Techniques used in PPBS have carry-over value in the assessment of educational management practitioners.

Evaluative data are needed to improve the quality of many management decisions. Information helping to determine the direction and substance of leadership development programs may be obtained from assessment of leadership performance. Evaluative data are useful in making promotions. They are necessary in making recommendations and in the deployment of administrators and supervisors into positions more nearly matching their assets and liabilities.

Obviously, the purpose for which this program was planned, i.e., relating evaluative data to compensation, is another and an increasingly critical need.

These are some of the more obvious reasons for evaluating administrators and supervisors.

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Before examining possible ways to design a plan to tie evaluation and pay more closely together, it is well to consider some of the possible incompatibilities between the two.

Evaluation for development and pay. There are some cautions to consider in using evaluation both for development and pay purposes in a single operation. In fact, conflicts can occur so that neither objective is fully and satisfactorily accomplished.

In a development program, evaluation is primarily a tool used to improve the performance of the individual. Needs are diagnosed cooperatively by practitioner and supervisor, a plan of improvement is agreed upon, efforts are expended for its attainment, and results are assessed. The amount of improvement may be minimal, moderate, or maximum. The objective, however, is to promote professional growth. If results fall below expectations, objectives are changed or modified, additional efforts are expended, and re-assessments are made. Attaching a dollar value to the results of evaluation, in the context of development, may put pressure upon the individual to such a degree that motivation for improvement may be sharply lessened. In fact, anxiety about a raise in pay may over-ride every other aspect of the total process, so that neither improved performance nor an increase in compensation result. Thus, one caution is to recognize that the desire to improve can be neutralized by apprehension that an increase in pay may be put in jeopardy by the evaluation process itself.

A second caution is that traditional rating procedures are often very imprecise and unreliable measures to determine relative levels of compensation. It may be relatively easy to identify and rate the best and poorest practitioners. It's difficult, however, to assess accurately the comparative performance of the middle fifty percent of the group. Performance criteria may be unclear. Biases of the evaluator often weigh as much or more than the actual performance of the individual. Too much guess work and over-reliance upon evaluator opinion contaminate the accuracy of the assessment. Insufficient performance data also reduce its reliability.

A third caution is that, under the most favorable conditions, evaluation tends to produce tensions between evaluator and practitioner. Individuals, facing the prospects of evaluation, may reflect varying degrees of apprehension, up-tightness, fear, and sometimes hostility. A recent article in the Harvard Business Review outlines some of the mingled reactions which evaluation can produce. One of these reactions is related to the reward/punishment aspect in the traditional evaluation process. Praise, extravagantly given, especially if it is more cosmetic than substantive, may be intended as a reward. Praise superficially extended, however, is a temporary reward at best. If, on the other hand, praise is given sincerely and if it is re-inforced with incidents of work well done, it can be - and usually is - a genuine motivator. In that sense, it is usually a contributor to improved performance and greater effectiveness.

Praise must be used prudently, however. It can be mistaken as implying things not intended, e.g., a possible advancement, a raise in pay, or some other type of extrinsic reward.

The opposite of praise is criticism. Fault-finding, over-stressing deficiencies, and downgrading an individual's performance often are considered by the recipient as being manifestations of punishment.

Evaluation should not be conducted in either extreme, i.e., as reward or punishment. Both research and experience dictate otherwise.

Another caution has to do with reactive behavior. One of the inherent problems in making evaluative judgments is that assessments are usually over-laden with absolutes. Many evaluation forms require labeling of the individual as being outstanding, above average, below average, unsatisfactory, etc. These are threatening labels. They leave little leeway for intangible and imprecise factors which are abundantly inherent in all performance.

When evaluators "lay it on the line," practitioners usually react defensively. They see evaluation as being something done to rather than with them. This is a significant difference.

The point in citing these cautions is not to generate a sense of defeat before beginning the task of designing an evaluation process which may promote greater productivity and commensurate compensation. Instead, the purpose is to stress the need to understand that delicate balances must be maintained in pursuing both objectives.

Incidence of differentiated pay plans. How widespread are differentiated pay plans for administrative and supervisory personnel? This is not an easy question to answer. It is complicated by inability to determine precisely how management decisions are made with reference to granting differentials in pay to administrative and supervisory personnel. Up-to-date data are not readily accessible.

Three years ago, Educational Research Service published a report which indicated the "purposes of evaluations" of administrative and supervisory personnel. The number of systems using evaluation to fix pay was small, as the following data show.

Table I

Purposes of Evaluations

Purpose	No. of Systems	Percent of systems
Identify areas needing improvement	77	20
Assess present performance in accordance with prescribed standards	70	18
Establish evidence for dismissal	60	16
Help evaluatee establish relevant performance goals	60	16
Have records to determine qualifications for promotion	55	14
Determine qualifications for permanent status	35	9
Determine qualifications for salary increments (regular)	9	2
Comply with board policy	8	2
Determine qualifications for merit pay	3	1
Comply with state law/regulation	3	1
Point out strengths	2	1

Twelve school systems out of 382, or only 3 percent, are so much in the minority, among those surveyed, that it is curious that so few use evaluation as one of the means for fixing salaries of leadership personnel. This appeared to be the situation in 1971. Perhaps the picture has changed in 1974. In that connection a recent publication has been issued by Educational Research Service, Inc. that provides some data on salaries of administrative and supervisory personnel.

The ERS Study is a survey of salaries scheduled for administrative and supervisory personnel in public schools, 1973-74. It sheds some additional light on the incidence of differentiated pay plans for leadership personnel. While there is no way to tell from the data that evaluation is used to help determine the amounts of compensation, the study does give some indication of the number of school systems which make reference to some form of merit pay. Though frequently, insofar as the concerns of our topic, the data reveal that:

--Approximately one half of all administrative/supervisory salary schedules are still tied to an index, i.e., some base reference to schedules for teachers.

--Only 55 school districts out of 526, reported in the study, make any reference to merit pay in their salary schedules. This is about 10 percent.

It would thus appear, from these inconclusive data, that the number and percent of systems using some form of differentiated pay plans for administrators and supervisors is gradually increasing.

The purpose in reporting these facts, is to emphasize that most school systems are not using evaluation as a tool to help make determinations about salaries for their administrators and supervisors.

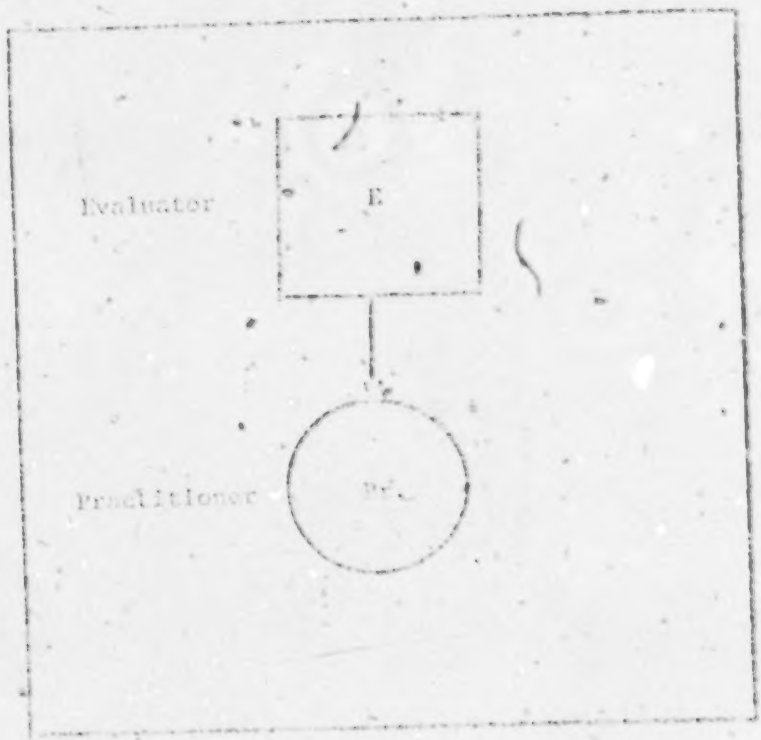
So much for preliminary considerations. Now it is time to turn to the main thrust of this presentation; namely, to consider ways to use evaluation as a means of determining differentials in pay for administrators and supervisors.

Evaluation models. Perhaps the best way to consider the facets of the problem is to suggest some evaluation models and discuss the strengths and weaknesses of each.

It should be emphasized that with each model there is the assumption that one of the outcomes of the evaluation process is the yielding of information which will facilitate the determination of levels of compensation commensurate with effectiveness of performance.

Model A

Graphic Model



Comments. Model A is a simple one-on-one arrangement. Rating is done by the immediate supervisor. Performance criteria may or may not be well stated. A written job description may or may not be used. The evaluator must be thoroughly familiar with the practitioner's work and maintain a close working relationship with the evaluatee. The flow of action is vertical, from the top down. The practitioner must clearly understand the performance expectations of the evaluator.

Strengths:
- Lines of responsibility are clear-cut
- Red tape is reduced to a minimum
- The practitioner is clearly accountable to one person
- The line of communication is direct
- Is acceptable to varying types and sizes of systems

Weaknesses:
- There is a possibility for a high level of rater bias
- Only one "grapevine" - from the top down
- If rapport is poor, the possibilities for tensions are enormous
- Informality and lack of structure may be the "achilles' heel" of the plan
- Partnership principle is lacking - evaluator is dominant

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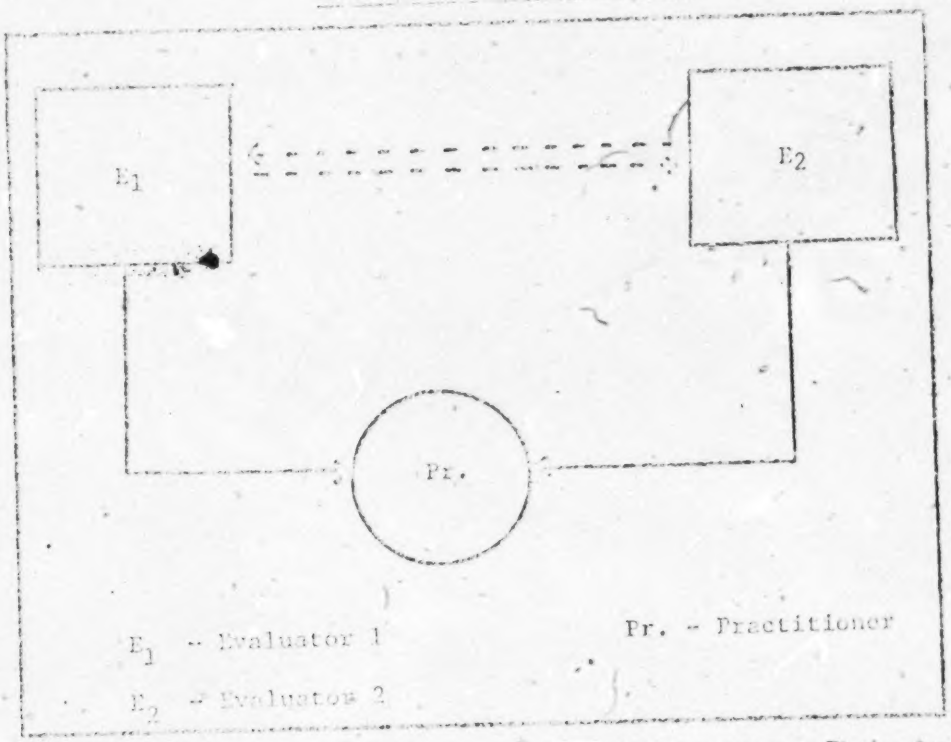
Prognosis: Will the model work? Can it produce performance data, sufficient in amount and reliable in content to enable management to compensate the practitioner fairly for work performed? The answer is "yes," if:

--Practitioner and evaluator are compatible
--Performance expectations are clearly defined
--Evaluator provides ample supervision
--Monitored performance data are used as feedback to enable practitioner to make re-adjustments in performance.
--Deliberate effort is made to keep rater bias to a minimum
--Evaluative judgments are re-inforced with specific incidents of performance behavior
--Evaluator strives to be objective and fair
--Practitioner trusts the evaluator and has confidence in his or her integrity

Multiple One-Way Ratings

Model B



Comments. Model B is also an example of an uncomplicated process. The only difference between it and Model A is two independent evaluators. While each completes separate assessments for the practitioner, the dotted lines indicate that the two may be in contact with each other to discuss mutual expectations they have for the administrators or supervisor. It is obvious that evaluators 1 and 2 may be specialists in different areas. For example, assume that the practitioner is a principal. Evaluator 1 might be an assistant superintendent for administration and Evaluator 2 an assistant superintendent for instruction. While they make separate assessments, they may stress expectations in their areas of specialization.

Strengths:
- Two independent evaluations can provide a more balanced assessment
- The process is clean-cut - amenable to easy implementation
- This plan is likely to be more acceptable to the practitioner
- The plan is adaptable to most situations
- Tends to unify management's performance expectations for the practitioner

Weaknesses:
- Separate evaluations can be contradictory
- The process is also uni-lateral - from the top down

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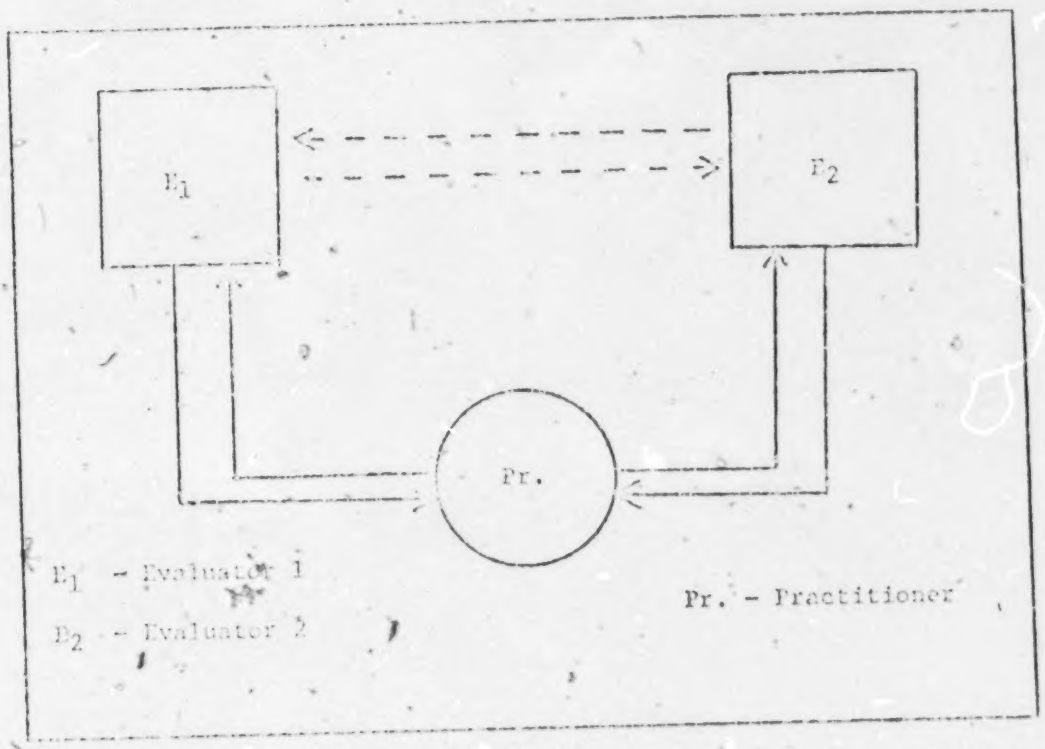
- Opportunity for rater bias remains high
- Possibility of performance criteria being unclear is high
- Two evaluators may produce and put pressure on the evaluatee

Prognosis: Model B has all of the advantages of Model A and only one or two disadvantages. Perhaps, an unresolved difference of opinion between the two evaluators will be the most serious difficulty to surmount. If this should occur, it is the responsibility of the superintendent- or a delegated representative-to review the divided opinions of the evaluators and unravel their differing points of view. The likelihood is strong that, for the most part, evaluators will be in concurrence and the superintendent will be able to document more adequately recommendations for salary determinations. Dual evaluations, therefore, strengthen rather than diminish recommendations for salary increments based upon result of performance as attested by better evaluative data.

Model C

Peer Level Participation



Comments: Model C suggests deliberate and planned interaction between practitioner and both evaluators. In operational terms, this means that the former's views and feelings about the evaluation process are taken into account by both evaluators. The practitioner engages in self-evaluation, i.e., the job content is reviewed, tentative objectives are identified, conferences are completed with each evaluator, input is obtained from the, performance objectives are agreed upon, implementing action is carried out with all three parties involved, results are assessed, including a self-assessment by the practitioner and culminating conferences are completed with each evaluator.

Strengths:
-Reciprocal relationships are maintained
-Practitioner gains partnership status
-Self-evaluation becomes significant
-Shared experiences are encouraged

- Opportunities for two-way communication are broadened

Weaknesses:

- Self-evaluation may be difficult for insecure and less able individuals
- Opportunities for differences of opinions and possible conflict increase
- Takes more time
- Diffuses accountability
- Requires a level of sophistication that may or may not exist

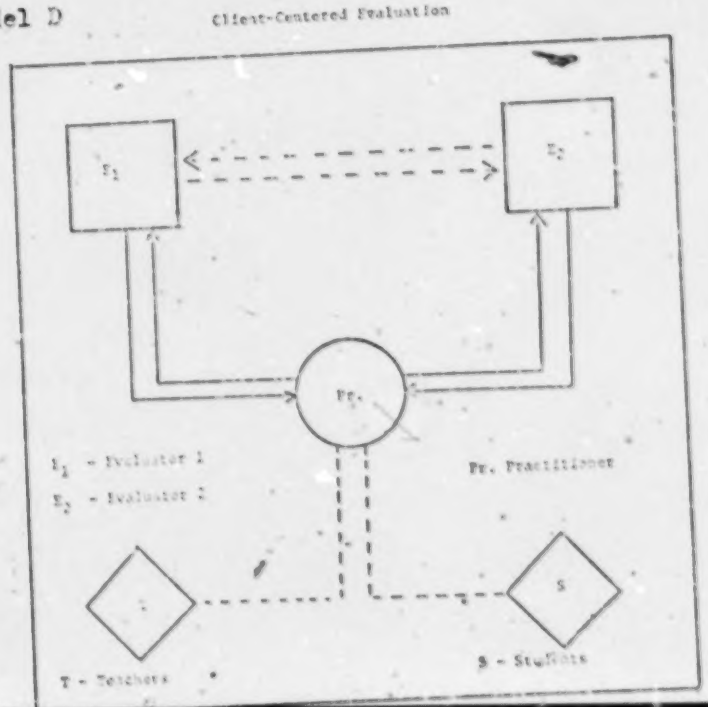
Prognosis: Is the concept of peer level participation a workable one? It is a feasible approach to evaluation if one believes that genuine improvement and demonstrated productivity are most likely to occur when practitioner and evaluator are pursuing complementary objectives. This approach does modify roles, however. Evaluators become more than judges and raters. They are obliged to increase their efforts in supervision, coaching, counseling, and reviewing. The practitioner is required to be more perceptive and candid in diagnosing performance needs, take more responsibility for carrying out the program of action, and to be more objective in assessing performance results.

Attaching dollar values to performance may or may not be more difficult in the implementation of Model C. It need not be harder, however. If, when objectives are established, the parties discuss levels of compensation for results attained, it should be no more difficult for the two evaluators to recommend appropriate levels of compensation than under Models A and B. At least, they have not only their own perceptions of the quality levels of the practitioner's performance and productivity, they have the added dimensions of the latter's own assessments.

It is important to note that under each of these three models, the final judgment as to salary is the responsibility of top management based upon the recommendations of the evaluators. Evaluation produces performance data. The superintendent, in most instances, makes the final proposal about salary, but is better able to do so because of the information which a good evaluation program produces. The board of education can, therefore, be better assured that in granting the recommendations of the superintendent, the dollar increments more nearly relate to levels of productivity.

Model D, the last, introduces another concept in evaluation; namely, input from the client. Client-centered evaluation is not, however, widely practiced and where it is, it is primarily a voluntary component in the total evaluation process.

Model D



Model D, the last, introduces another concept in evaluation; namely, input from the client. Client-centered evaluation is not, however, widely practiced and where it is, it is primarily a voluntary component in the total evaluation process.

Comments. Model D adds one more dimension to the evaluation process; namely, an opportunity for those whom the practitioner serves (teachers and students) to express their viewpoints about his or her performance. As has been indicated earlier, this input usually is voluntary - not mandatory. The broken lines, on Model D, are intended to show this fact.

Input from teachers and students is of two kinds. First, suggestions of things they would like to see the practitioner do or not do to improve performance. A principal, for example, might informally query teachers and students - perhaps on a sampling basis - as to ways leadership functions might be strengthened. Suggestions might be provided anonymously to encourage candor.

The principal could analyze the suggestions and match them with his or her own ideas of ways to improve leadership performance. Tentative objectives might thus reflect client, as well as, self input. In short, the voices of teachers and students can be very useful as the principal diagnoses performance needs.

The second type of client input consists of assessments of the principal's performance attainments. Again, using sampling techniques, the principal may ask teachers and students to indicate how well they feel his or her objectives have been attained. Obviously, they can react only to those objectives about which they have some direct knowledge - most likely those which they identified, at the outset, as being areas where they felt improvement should be made. It should be stressed that if client input is used, it should go directly to and not around the practitioner.

Strengths:
- Gives a three-dimensional quality to the evaluation process
- Recognizes the importance of the "consumers'" viewpoints
- Keeps the practitioner sensitive to the needs of those served
- Yields more comprehensive performance data
- Reduces the corrosive effects of unofficial, "grape vine" type evaluations

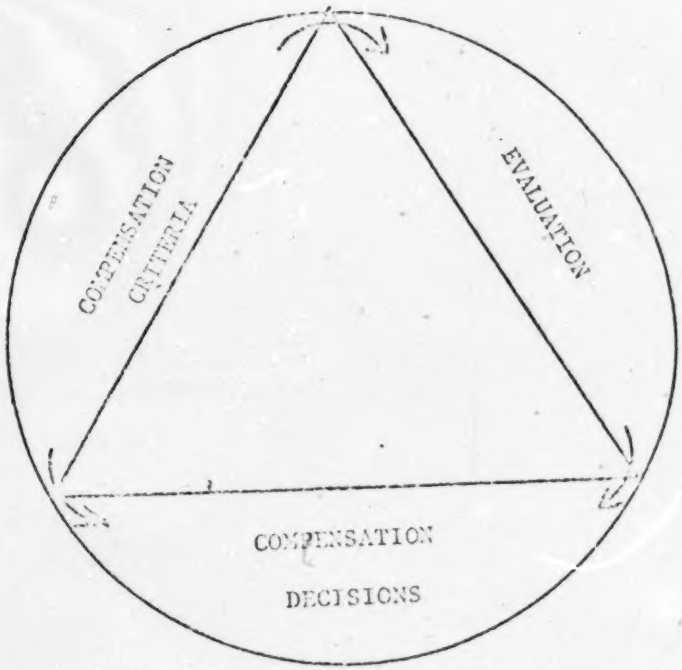
Weaknesses:
- Tends to be complicated
- Time-consuming
- Difficult for marginally effective practitioners
- "Clients" may be reluctant to make candid suggestions and assessments
- Also dilutes accountability

Prognosis: It is easier to conceptualize and philosophize about client-centered evaluation than to make it operational. It is probable that it will be slow to catch on. Only a modest number of innovative school systems are likely to embrace the concept and actually make the concept a reality. Despite his pessimistic prognosis, the importance of practitioners and evaluators recognizing the usefulness of ideas and suggestions for leadership improvement is self-evident. There is some evidence that teachers and students are more accurate in their assessments of leadership effectiveness than are superordinate evaluators. If this is true, it would seem logical to include client-centered input in the evaluation process.

Compensation and evaluation. The ultimate objective is to link evaluation and compensation. This is neither easy nor simple. In fact, some maintain - with considerable conviction - that the two are essentially conflicting functions. Some perceptive personnel managers, both in the private and public sectors, believe that the two processes ought to be kept reasonably discreet entities. Yet, our objective is to see how the two may be made more compatible and complementary. In order to do this, the following three propositions, depicted in Diagram D, are suggested:

Diagram I

Component Interrelationships



1. Salary determination - basically a product of managerial judgment. Decisions about salary determination will rest upon sound predetermined compensation criteria and adequate performance data.

2. Compensation criteria - agreed upon by top-level administration and board members. Must once pass: (a) carefully articulated organizational aims and structural relationships, (b) estimates of both short and long-term personnel needs, (c) responsive evaluation procedures, (d) defensible salary policies and principles.

3. Performance evaluation - the means by which data are generated which will enable top level administrators and the board of education to apply pre-determined compensation criteria more equitably so that recommendations of salary amounts can be made with greater degrees of confidence.

It is obvious, therefore, that salary determination, compensation criteria, and performance evaluation are interrelated parts of a total management process. Evaluation, however, is and should be considered a means, not and end in itself. It must be interrelated as Diagram I shows. If it can be, it can be the vehicle by which top management can be better enabled to make valid salary determinations.